

Message Text

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64

ACTION EB-11

INFO OCT-01 EUR-25 ISO-00 L-03 AGR-20 COME-00 SWF-02

CEA-02 CIAE-00 DODE-00 FRB-02 H-03 INR-10 LAB-06

NSAE-00 NSC-07 PA-04 RSC-01 AID-20 CIEP-02 SS-20

STR-08 TAR-02 TRSE-00 USIA-15 PRS-01 SP-03 FEA-02

OMB-01 DRC-01 /172 W

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P 082221Z MAY 74

FM AMEMBASSY OTTAWA

TO SECSTATE WASHDC PRIORITY 3422

UNCLAS OTTAWA 1402

PASS AGRICULTURE: INTERNATIONAL TRADE, DAIR &
POULTRY DIV., R. MCCONNELL/FAS/W

FOR M.W. GLITMAN, EB/ITP/OT/STATE/W

E.O. 11652: N/A

TAGS: EAGR CA

SUBJECT: GOC EGG AND TURKEY IMPORT CURBS

REF: (A) OTTAWA 1332; (B) AGATT-RM MCCONNELL, FAS/W
TELECON MAY 8

1. EMBASSY NOTIFIED THAT MININDUSTRY, TRADE &
COMMERCE GILLESPIE AND AGMIN WHELAN ANNOUNCED TODAY
THAT EFFECTIVE MIDNIGHT MAY 8, 1974 PERMITS WILL
BE REQUIRED FOR IMPORTATION OF TURKEYS AND EGGS.

2. ACTION TAKEN UNDER EXPORT AND IMPORT PERMITS
ACT, AS AMENDED BY PARLIAMENT, TO SUPPORT NATIONAL
TURKEY AND EGG MARKETING PROGRAMS.

3. GILLESPIE SAID QUOTE THE GOVERNMENT HAS DETERMINED
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THAT THREAT TO THESE PROGRAMS EXISTS WHEN PRODUCER

PRICES FOR EGGS ARE AT OR BELOW 60 CENTS A DOZEN, BASIS GRADE A LARGE, ONTARIO AND WHEN TURKEY PRICES ARE AT OR BELOW THE EQUIVALENT OF 37.5 CENTS A POUND, BASIS HEAVY TOMS, ONTARIO UNQUOTE. WHEN CANADIAN PRICES ABOVE THESE LEVELS IMPORTS WILL BE FREELY PERMITTED. SHOULD PRICE OF FEED IN CANADA CHANGE EITHER UP OR DOWN THESE PRICES WILL BE ADJUSTED BY CORRESPONDING AMOUNT.

4. GILLESPIE SAID THE ACT WILL BE USED TO REGULATE IMPORTS OF EGGS AND TURKEY AS LONG AS THERE IS SERIOUS THREAT TO THE EFFECTIVENESS OF THE SUPPLY MANAGEMENT PROGRAMS FOR THESE PRODUCTS.

5. IMPORTERS OF RECORD WILL BE REQUIRED TO APPLY FOR IMPORT PERMITS. IN GENERAL, PERMITS WILL BE ISSUED ON FIRST-COME FIRST-SERVED BASIS, AGRICULTURE CANADA (AC) MARKETING OFFICIAL TOLD AGATT. HE ALSO STATED IMPORTS LEVELS TO BE CALCULATED AS FOLLOWS. CURRENT MONTH'S PRODUCTION AS PERCENT OF AVERAGE PRODUCTION LAST FIVE YEARS E.G. IF THIS MONTH'S PRODUCTION 95 PERCENT OF 5-YEAR AVERAGE, IMPORTS WILL BE PERMITTED TO MAXIMUM OF 95 PERCENT OF 5 YEAR AVERAGE. SIMILARLY, IF CANADA'S PRODUCTION MOVES UP PERCENT OF IMPORTS MOVED UP ACCORDINGLY. AC OFFICIAL CLAIMS MONTHLY EGG PRODUCTION PERCENT SO FAR THIS YEAR VARYING 95 TO 96 PERCENT FIVE-YEAR AVERAGE.

6. WHELAN DEFENDING MARKETING BOARDS ADDED THAT CANADIAN FARMERS HAVE STABILIZED PRODUCTION AND PRICES, IN INTERESTS OF PRODUCERS AND CONSUMERS, FOR BOTH TURKEYS AND EGGS THROUGH THEIR NATIONAL MARKETING AGENCIES. HE CITED BOOM AND BUST CYCLE IN UNITED STATES AS THREATENING THESE EFFORTS QUOTE U.S. PRODUCTION HAS BEEN INCREASING THIS YEAR, AND PRICES HAVE FALLEN BELOW COST OF PRODUCTION FOR TURKEYS AND EGGS. ONTARIO TURKEY PRICES HAVE FALLEN FROM 46.25 CENTS PER POUND FOR UNCLASSIFIED

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HEAVY TOMS IN OCTOBER TO 37.5 CENTS THIS WEEK. UNQUOTE. REFERRING TO LAST YEAR, WHELAN SAID CANADIAN CONSUMERS HAVE ALREADY BENEFITTED FROM POLICIES OF NATIONAL EGG MARKETING AGENCY BY ENJOYING LOWER PRICES HERE IN CANADA WHILE U.S. CONSUMERS WERE PAYING HIGH PRICES WHEN PRODUCTION THERE HIT BOTTOM OF PRODUCTION CYCLE. UNQUOTE.

7. FULL TEXT OF ABOVE AIRGRAMMED STATE AND
AGRICULTURE TODAY.

8. COMMENT: AGATT DISCUSSED ANNOUNCEMENT WITH
CANADA AGRICULTURE PRODUCTION AND MARKETING
OFFICIAL AND REMINDED OFFICIAL OUR REPEATED
EXPRESSIONS OF CONCERN TO GOC THAT NATIONAL
MARKETING AGENCIES TEND TO BECOME PROTECTIONIST
AT THE BORDER. MINISTER GILLESPIE STATED
QUOTE THE OPERATION OF THESE CONTROLS WOULD BE
CONSISTENT WITH OUR OBLIGATIONS UNDER GATT
UNQUOTE.
PORTER

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